

**Town of Sunset Beach
Town Council
Called Special Meeting Minutes
May 2, 2016**

MINUTES

Members Present: Mayor Ron Watts, Mayor Pro-Tem Carol Scott, Councilman Lou DeVita (Arrived at 10:25 am), Councilman Peter Larkin, Councilman Mark Benton and Councilman Rich Cerrato

Members absent: None

Attorney & Staff Present: Susan Parker, Town Administrator; Bonnie Schwerd, Finance Director; Lisa Joyner, Police Chief; Joe Smith, Assistant Police Chief; Kevin Dempsey, Fire Chief; Richard Childres, Assistant Fire Chief; Rawls Howard, Planning and Inspections Department Director; Dustin Graham, Public Works Director, and Lisa Anglin, Town Clerk

Mayor Watts called the Special Meeting to order and advised that the purpose is to hold a Budget Workshop on the 2016/2017 proposed budget. Mayor Watts added a public comments section to the end of the meeting.

Proposed 2016/2017 Budget Overview

Bonnie Schwerd, Finance Director, reviewed the proposed budget message with the Council noting that the proposed General Fund operating budget totaled \$5,571,332, the proposed Powell Bill Fund budget totaled \$162,300, the proposed Sunset at Sunset budget totaled \$11,600, the proposed Accommodations Tax Fund budget totaled \$600,000 and the proposed Beach Erosion/Protection Fund budget totaled \$400,000. Schwerd advised that the proposed budget includes an Ad Valorem Tax rate of 16 cents per \$100 valuation. The proposed budget contains \$612,251 in contingencies and reserves for future use including \$250,996 in the General Fund, \$41,687 in the Accommodations Tax Fund and \$319,568 in the Beach Tax Fund. Schwerd advised that due to a change in governmental accounting standards the Law Separation Allowance will now be reported in the General Fund instead of as an inter-fund transfer since it is not a formal trust fund. The Council requested Schwerd to determine by what amount the Law Separation Allowance is underfunded.

Capital Reserve Funds/Capital Project Funds

Schwerd stated that the Town currently maintains Capital Reserve Funds for Future Development, Future Street Pavement and future Bike/Walkway Paths. Schwerd advised that the proposed Budget includes \$100,000 from the Future Street Pavement Fund to provide a reimbursement of expenditures in the General Fund for the Town's street paving program. Schwerd advised that the Town has two (2) active Capital Projects underway; the Town Park Project and the Main Street Widening Project.

Budget by Function Comparison/Capital Improvements Comparison

Schwerd reviewed the Budget by Function and the Capital Improvements Comparisons with the Council.

Proposed Capital Purchases

The Council reviewed the proposed capital purchases that have been included in the budget with the respective department heads as follows:

- Website Upgrades \$10,000
Lisa Anglin, Town Clerk, reviewed the Communications Budget request including website updates, Video on Demand options, facebook and twitter accounts, capability to receive epayments, .gov email addresses for all full-time employees and fillable interactive forms for citizens.
- Police Equipment (In-car & body-worn Cameras) \$35,000
Chief Joyner advised that the current in-car cameras are non-functioning due to outdated technology. Joyner advised that the in-car camera systems and body-worn cameras would help protect our officers in the field and would expedite investigations in the case of officer wrongdoing allegations. Joyner advised that grant funds might be available after July 1 through the State. The Council requested Chief Joyner to explore options for leasing the equipment and cameras.
- Police Vehicles (2) \$70,000
Chief Joyner advised that the 2009 and 2011 Ford Crown Victoria vehicles are mounting repairs bills that are outweighing the value of the vehicles. The budget request will replace both vehicles with Ford Explorer SUV's.
- Fire Department Equipment (Thermal Imaging Camera) \$9,000
Chief Dempsey advised that the current 15 year old thermal imaging camera is not repairable due to water infiltration. Dempsey advised the camera is an important piece of equipment when firefighters are battling a fire.
- Fire Department Vehicle \$450,000
Chief Dempsey advised that the truck needing replacement is 26 years old and distributed pieces showing the amount of rust on the truck. Dempsey advised that the truck could be transferred to the Public Works Department to use for landscape watering and spraying the dirt roadways in the summer to control dust. The Council requested Schwerd to determine financing available.
- Financial Software Upgrade \$10,000
Schwerd advised that the financial software upgrade was needed due to the services that the Town currently or plans to bill for in the future such as recycling, assessments and dredging and maintenance fees.
- Stormwater Plan \$111,790
After discussion concerning the scope of work expected from the engineers, the Council increased the Stormwater Plan budget to \$300,000.
- Stormwater System Repairs \$50,000
Schwerd advised that this is a placeholder for any emergency repairs that would be required prior to the Plan adoption and execution.
- CAMA Land Use Plan \$2,950
Schwerd advised that this is the continuation of the current contract as it nears completion but is required to be stated in the budget.

Proposed Capital Purchases (Cont.)

- Road Paving/Street Repairs \$200,000 (\$100,000 each from General and Powell Bill Funds)
Council directed that the Powell Bill Fund be exhausted prior to General Fund monies being used for related expenditures.
- Beach Walkway Maintenance \$70,000
Dustin Graham, Public Works Director, advised that the Staff will build the extensions for walkways at 40th Street, 10th Street and 1702 East Main Street. Staff will also perform routine maintenance on others as required.

The Council reviewed the proposed capital purchases that have not been included in the budget:

- Dredging Project
Susan Parker, Town Administrator, advised that the engineers will be making a presentation to the Council during the May 2, 2016 Meeting and will be providing amounts for the Council to consider including in the 2016/2017 budget.
- Completion of Town Park
Engineering and cost analysis will begin soon
- Fire Stations Roof Repairs
Staff has been unable to obtain quotes for the roof repairs, still pursuing.
- PEG Channel/Social Media/Communications
Mayor Pro-Tem Scott advised that \$5,000 would be enough to purchase the videoing equipment needed.
- Council Chambers Upgrades
No appropriation discussed.
- Island Parking
No appropriation discussed.
- Stormwater Plan/Repairs in excess of budgeted
No appropriation discussed.

Salary/Wages/Benefits Information

Schwerd advised that the proposed budget includes a 1% merit and 1% COLA, but does not include a \$500 bonus as in past years. The Council discussed differing scenarios to include the merit, COLA and bonuses in the proposed budget. The Council reached a consensus to include a 1% Merit pool and a ½% bonus (\$11,000) pool with both to be determined by performance qualifications. The Council reviewed the benefits package and reached a consensus not to make any changes to the current package.

The Council requested Schwerd to determine the cost associated with a comprehensive Salary and Benefits Study to be performed by an outside agency. The Council also reached a consensus to schedule a special meeting in July to review the personnel policy and develop a benefits package for future employees.

May 4, 2016 Budget Workshop Agenda

The Council established the May 4, 2016 Budget Workshop agenda as follows:

1. Proposed Detail Expenditures by Department
2. Questions and Answers
3. General Discussion
 - Budget Contingency and Fund Balance
 - Revenue Effects of the Town's Tax Rate

MAYOR PRO-TEM SCOTT MADE A MOTION TO ADJOURN THE MAY 2, 2016 BUDGET WORKSHOP. COUNCILMAN BENTON SECONDED THE MOTION. MAYOR WATTS CALLED FOR A VOTE AND THE MOTION CARRIED BY UNANIMOUS VOTE.

Town of Sunset Beach

Ron Watts, Mayor

Submitted by:

Lisa Anglin, Town Clerk